App. F. IX-4

1950.51
(CB)

File No. 172-50

Previous References.

Serial Nos. 3

Later References.

GENERAL AND REVENUE SECRETARIAT

Serial Nos. One

Part B for Oct 50

SUBJECT

Notes by the Cabinet on Special Duty Re. his discussions with Ministers & High Officials of the Govt & Industria during his stay at Delhi between 31st July & 5th Aug 1950 —

SBh 16/10/50

Confidential Special Officer

General and Revenue Secretariat

File No. A/ – 38 of 1950-51/

[App. F. III-2

WD 06071—GPB—25,000—20-6-49

Note

Serial No.

In the course of my stay in Delhi from 27th July to 5th August 1950, I met some Ministers and several high Officers of the ~~xxxxx~~ Government of India and had exploratory and informal discussions on a number of important subjects. The following notes of my talks with the concerned officers of the Government of India on the several subjects referred to me, are submitted for the kind perusal of Government. They may not be regarded as officially authoritative and may be used for informal reference and information only by the concerned Secretaries and Heads of Departments, to whom it is suggested that the relevant extracts from the notes may be sent.

(Second part submitted separately)

nor should official cognisance be taken of them

(1)

2) The Secretaries may be requested to await the formal communications from the Government of India Offices on these subjects, and where they involve a clear departure from the notes and it is considered necessary to press any matter again with the Government of India authorities, the Secretaries concerned may please consult me further unofficially. The final replies received from the Government of India in regard to each subject included in the notes may also be please sent for my information by the Secretaries concerned.

3) Action was taken to secure, as far as possible, final disposal of the outstanding items by the Government of India Officers, in the course of my discussions. It will be seen that substantial benefits could be obtained for the State by such pursuit of our pending questions at high levels, in addition to the normal mode of carrying on routine

NOTE—Contn. Sheet

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correspondence at long range. To secure maximum results, however, it is necessary that each Secretariat takes stock of all important subjects which have a bearing with the Centre's activities and powers of sanction, in consultation with the Heads of Departments and put them up to the Government of India with the approval of the State Government with full details.

In order that I may keep myself informed of the subjects being referred to or under pendency with the Government of India, the Secretaries may kindly be asked to mark the files to the Hon'ble Ministers through me in all such cases. (2)

4) I propose also to meet each Secretary in my Chambers and have a full discussion of all the subjects to be pursued with the Government of India Officers every month, before I go to Delhi.

5) In the light of information gathered in Delhi, there would be, I find, subjects which could well be taken up by the State with the Centre to our benefit. I propose to initiate such subjects also, and record necessary minutes thereon and send them to the Secretaries or Heads of Departments concerned. These proposals may kindly be approved for further needful action.

10/8/50

Chief Minister

(Thro' Chief Secy)

6) I wish only to suggest two things: Re (1) above, the O.S.D. may, while getting

Serial No.

This is/co, for the Extra Copies & Extracts also is/co & sent to the Concd Secretaries & Govt. Re (2), Copies of unimportant Communications to O.S.D. may be sent to the O.S.D., instead of routeing the file through him Each time; the matter will in any case be finally disposed by the Concd Secy. with the O.S.D.

7) These suggestions are made to avoid delay. The O.S.D will not always be in Bangalore & it will be inconvenient & send file to him sometimes, and not when he is at Delhi.

10/8/50

8) Re (1), the Secretaries have to be clearly informed that the notes should be headed in the manner indicated by the O.S.D in his note. with the rest I agree.

16/8

9) P.S: The notes may be circulated to the ministers also.

16/8

10) 16/8

O.S.D. w/s).

A1-103/50-57 Dated 24/8/50.

11) 17/8/50

12) action has been taken to send

C.M. No. 3478 D/16-8-50

CHIEF SECRETARY 4365 11 AUG 1950 GOVT. OF MYSORE

Notes by the Commissioner on Special Duty regarding the procedure to be adopted for facilitating Govt. business

File No. 2937/03 of 194 .

General and Revenue Secretariat

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Extracts of the notes of the Secretaries concerned.

13) The procedure indicated under (2) above of sending copies of communications rather than the original files will be convenient and may be adopted.

14) The file is returned for taking further action per Circulation as per Chief Ministers orders.

Sd/- 24/8/50

Chief Secretary

15) C.S. Circulate

24/8 24/8/50

(with compliments)

Office of the Chief Secretary 4841 23 AUG 1950 GOVT OF MYSORE

Office of the Minister for Local Self-Government.

No. 3024.

Date 4 Oct 50

16) Submitted for perusal.

25.8.50

25.8.50

3839/29/8	1.	Chief Minister
3611/31.8.50	2.	Minister for Finance and Industries
4494/26/9	3.	Minister for Law and Labour
3443/26/9/50	4.	Minister for Education and Public Health
7177/27/9/50	5.	Minister for Revenue and Excise
9346/4/10/50	6.	Home Minister
3024/4/10/50	7.	Minister for Local Self-Government

General & Revenue Secretariat 13 OCT 1950 Confidential Branch

Subject for orders whether this may be recirculated to C.S. as no further action is necessary in the matter.

Yes 14/10/50

12/10/50

WD 02858—GPB—30,000—11-5-48

Met The Deputy Secretary, States Ministry, Government of India, New Delhi, on (on 13-8-50) and discussed the following:

(i) LOAN OF ROAD ROLLERS TO THE MYSORE PUBLIC WORKS DEPARTMENT BY THE MILITARY.

The States Ministry has supported the request of Mysore for extending the loan period till 1st November and have sent the papers to the Defence Ministry and no advice of action taken has been received yet by the States Ministry. But it was expected that the proposals would be agreed to.

(ii) ALLOTMENT OF SEATS TO MYSORE IN THIS YEAR IN THE SCHOOL OF INDIAN MINES DHANABAD.

It was stated that this request would be supported and definite advice of the favourable consideration of the matter would be sent early after the relative correspondence had been dealt with.

(iii) SPECIAL RECRUITMENT BOARD FOR THE INTEGRATION OF SERVICES.

It was indicated that a reply had been sent already to Mysore in regard to the references received in this respect and that the Home Ministry had not found it possible to accept the procedure indicated in Mysore Government's letter for discussion of the question with the Service Members.

Mr. R. N. Banerjee, Chairman, Union Public Service Commission, whom I met later in the afternoon (vide separate note) also expressed a similar view in regard to the Special Secretary Sri R.A.Gopalaswamy or the Joint Secretary Mr. S.D.Bapat discussing the proposals connected with the integration of the services that

that such a procedure would be undesirable and irregular.

Mr. Banerjee expressed that they were rather surprised at the delay which was happening in regard to finalising the I.A.S. integration arrangements and that they had a feeling that obstruction was really being put in the matter and there should be no reason for it, as the measures which were being adopted, had been accepted by all other States and they were desirable not only in the interests of the State and India as a whole, but also of the Services themselves. He stated that the procedure that had been laid down by the Government of India was being adopted by the Commission and was a uniform one for the whole country and could not therefore be altered for one State only and that as regards some of the Members objecting to appearing before the Commission for -- interview, he would state that such a feeling is unjustified, that the Commission consisted of seniormost and eminent persons, one being a retired Judge and -- another an eminent educationist and retired Vice-Chancellor and the Chairman himself being one of the seniormost members of the Service and that even Princes, Rajapramukhs and Pramukhs did not object to see members of the State Ministry like the Secretary and the Joint Secretary and further in any case a prima-facie selection by the Commission was necessary both to keep up a common standard in the Service members and esprit-de-cour amongst them.

Further he stated that the Commission consisted of experienced members, who might be expected to take a fair view in regard to every case and would go into the records and confidential reports and all circumstances

relating to an officer and would not be arbitrary in their considerations and mentioned as a matter of information that although they had made hundreds of selections, so far there had been no representations except in two cases, in which the decision of the Commission had been upheld and considered to be fair and proper. In regard to those few cases, where there might not be selection, the Commission would consider the circumstances relating to the services of the officers and whether there were any mutual obligations of service and they would be retained under these terms in the State Services without loss of their normal prospects for which they were entitled.

Mr. Banerjee indicated that they were generally arranging to first make a selection of all the persons in the senior cadre who were suitable for the services and if there were a few not selected, say for arguments sake, about 10 for an approximate 40 posts in the higher cadre, these 10 posts would be excluded from the I.A.S. and kept for the State Civil Services and some of the posts could be kept on the highest salary reserved Viz. Rs.1,400/-, which is now normally available, as prospective jobs for to those members. By keeping a large number of posts in the senior cadre, chances of promotion to the junior members in the State's allocation, to the total number of posts would be greatly increased and this would be good for the service as a whole, especially as the places were to be filled by both by promotion from the State Civil Services and from the junior cadre officers.

Those who are not taken into the I.A.S. would be still holding their present appointments and would form the cadre of the State Civil Services and to them the existing promotion and prospects to which they are normally eligible under their service conditions if there is any such sustaining obligation and there can therefore be no legitimate grievances of would be available either loss of appointment or loss of pay and prospects or on any other account. He, therefore, felt that in the interest

interest of the country as a whole, a common procedural and basic arrangements might well be agreed to in Mysore also and that in exceptional individual cases would as hitherto be considered specially by the Commission and suitable solution would be suggested in those cases also having regard to the circumstances.

As regards relative seniority in the cadre in the number allocated to the State, the fundamental rules and service regulations in force in the Government of India which provide definite rules in this respect would be followed for Mysore also.

He indicated that it would not be possible for the Commission to come to Mysore during this month and they could come in September only and that suitable arrangements as on the last occassion for their accommodation and office in the same building might kindly be made.

As regards associating a Mysore representative with the Commission for the Selection of the Indian and Audit Accounts service officers and the Railway services officers, there is no objection and Mysore's request has been agreed to.

CAMP: NEW DELHI,
Delhi:3-8-1950.

SPECIAL COMMISSIONER.

General and Revenue Secretariat | File No. | of 19

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Financial Integration.

In respect of the several points now raised for consideration, with reference to the State's financial integration with the Centre, the view expressed by the Officers of the Government of India in the States and Finance Ministries (Joint-Secretary, Federal Financial Integration, and Joint-Secretary, Finance (Budget) is that they could not properly come up for the consideration and disposal of the Government of India as such, since they pertained to the financial integration, and could strictly be disposed of only by mutual agreement. According to them, the position is this: before the Financial Integration agreement between the State and Union Governments was finalised, there had been prolonged discussions at a number of Conferences after the States Inquiry Committee had made recommendations. After an agreed upon Settlement had first been reached with the Mysore Government, further points had been raised by the latter. Even then, all the points so raised had been mutually discussed at length and decisions had been arrived at and as accepted by both Governments, the agreement had been finalised.

It was therefore surprising that points had now been raised again by Mysore Government for further consideration, more so in respect of those which had been fully discussed before the agreement was drawn up. It was desirable that there should be a finality in such matters, especially when they were of fundamental importance and regulated by formal agreement between

Note.—Contn. Sheet.

the

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the two Governments) which had statutory recognition.

After much discussion, they were brought round to see that when matters relating to Financial Integration were so new and involved radical changes from an administrative and constitutional position which had existed for decades, several subjects were found to be fluid, and there would be loose ends in regard to details of these for a period in the beginning and there should have been provision for their consideration and decision by mutual settlement say within one year or so after the date of the agreement, after which when it would be final and that where real points with regard to on their actual merits were raised, which had not been specifically settled previously, they should reasonably be considered and disposed of within such period of confirmation.

These Officers have agreed finally to this and they propose the following:-

(1) They are awaiting for the final budget accounts for 1949-50 to be closed. They expect this to be done by the Accountant-General of the Government of Mysore by the middle of August 1950. They wish to arrive at at the apportionment of funds and balances and assets then, with reference to the Financial Integration Agreement.

(2) They would, as a special case, agree to have all further points put up by Mysore Government considered at a meeting

onee

once again, with a view to arrive at decisions on all these points, provided however that Mysore Government undertook to ensure that all possible points which they wish to raise would be put up at this final meeting and that no more would be put up later on once again and that the settlement at this meeting should be considered as conclusive as regards the arrangements under and terms of the agreement and thereafter all matters should be dealt with strictly with reference to the provisions of the agreement. They are agreeable to come some time in September 1950, if we desire and will await our advice. The Financial Secretary may be asked to examine any further points also that might be put up for consideration as they cannot be raised at a later stage and propose a suitable date for the meeting and meanwhile to put up a comprehensive agenda of all possible points for approval of Mysore Government.

I have also spoken to Sri V.T. Krishnamachari, Chairman of the States Inquiry Commission regarding the State's representation on these points.

It will be useful for information and presentation of Mysore's case, to know the following arguments gathered in the course of informal talks:

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R A I L W A Y S:-

(a) Non-Contribution to depreciation fund in 1948-49 - question of giving benefit on this account to Mysore in computing normal Revenue gap.

This subject was fully discussed previously and agreed upon decisions recorded previously.

At the request of the Government of Mysore, the Special Contribution of Rs.134 lakhs (over and above the normal amount of Rs.8 lakhs annually) to the Reserve Fund in 1947-48, was excluded from the expenditure account and also earmarked for Expenditure in Mysore State only, and only the normal annual depreciation amount was taken into account. For the same reason, the non-contribution of the normal amount has been left out of consideration and only the normal amount adopted for purposes of arriving at the revenues and Expenditure. It is fair and proper that if excess contribution is ignored, under contribution should also be similarly ignored.

The following contentions may, perhaps, be put up for Mysore in due course at the meeting to be held:

(1). There was no separation of Railway and General Finance in Mysore as in the old British India, and relief to general finance by curtailing expenditure or depreciation contribution in the Railways budget was a usual arrangement and hence benefit accruing on this account cannot be rejected, particularly as it was received in the basic year of calculation,

Contd.

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calculation, viz., 1948-49.

(2). On account of the Special Contribution given in 1947-48, the liability and necessity for normal depreciation contribution becomes reduced to some extent, at any rate over the next 5 years for which the Integration Scheme is to be in force, and hence the benefit attributable to the Special Contribution cannot, fairly, be omitted to Mysore.

(3). At 10% computation on the sum of Rs.134 lakhs if spent on renewals and replacements, credit for Rs.13.4 lakhs could be given to the depreciation annual contribution if all the amount were spent in one year. Even on interest basis at 4%, credit for Rs.6 lakhs could be given. Hence credit should be given for the full amount of contribution of 1948-49

(b) MILITARY BUILDINGS: - ~~Maintenance~~ Construction charges.

This matter had also been fully considered and Mysore's argument had been put forward. Expenditure on Military Buildings according to programme, was a normal expenditure from the State's revenues towards Military Services, and was incurred by Mysore Government annually, as an inevitable deferred item, over a number of years and the liability cannot be regarded as being either special

or other than a normal item. Hence no credit could be allowed for the expenditure in computing the Revenue gap.

Arguments for Mysore to be put up.

(a) The liability to construct Military buildings is in future under the Federal Financial Integration, entirely that of the Centre, and hence all Mysore's liability to put up capital or deferred Revenue Expenditure on this account is wiped out under the Scheme. As it is not proposed to ask for recoupment of past expenditure, expenditure incurred in 1948-49 on this account is to be regarded only as a special ad hoc Capital Contribution from Mysore Account, and the assets built thereupon will be transferred to Centre. But the expenditure cannot be deducted in arriving at the Revenue gap but, should be added back to Mysore's Revenue Account and the Revenue gap increased to that extent.

(b) It may be mentioned that lands continued with the military will be given land tax or Revenue asset exemption, which is strictly no longer admissible after Federal Financial Integration, as the land rêvenue is a State source. The right to use State roads by Military Forces without payment of prorata charges for maintenance or contribution will continue as hitherto with the State and similarly, the military forces will continue to have civic facilities as at at present without such levies as Professional Tax, or Mohabarfa or V.P. taxes on buildings.

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Hence with the continuance of these concessions from the State Funds the liability against them should also cease per contra.

(c) STATIONERY AND PRINTING CHARGES.

Since actual printing and Stationery charges included in 1948-49 accounts have actually been taken into account as per agreement and include also the proportionate charges of the Central Departments which have not been excluded, and similarly the receipts also, credit cannot be given only for the expenditure of the Central Departments without reducing the amount already taken into account in computing the Revenue gap. Hence the present arrangement in this respect already agreed upon is reasonable and may stand. Further, there are no actual figures on both counts for 1948-49.

(d) POSTAL CHARGES.

The considerations mentioned above apply to this heading also. In 1948-49, no actual charges payable by Mysore Government are available. Charges which will be incurred in future, 1950-51, and 1951-52 are not correctly to be taken into account since the agreement provides for taking only 1948-49 as the basic year. Hence the amount already fixed as a flat sum, viz.Rs.21 lakhs should remain. Further it is stated that this is actually more than what Mysore would get as per accounts and is very beneficial to us. ~~In view of the above, I think~~ this item may be allowed to stand as it is and not

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not pressed further.

OFFICER ON SPECIAL DUTY.

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Serial No.

SUBJECT:- Integration of Mysore Services with Indian Administrative Services and Indian Police Services.

* *

(mu-8-50)

I met Sri R.A. Gopalaswamy, Secretary, Special Selection Board to ascertain from him the action taken regarding the proposal made by Mysore Government that he or Shri Bapat may come to Mysore and meet the members of the Civil Service Association to clarify some points raised by some members regarding the integration of the Mysore Service.

He indicated that from the recent letter of the Chief Secretary intimating that the subject of the integration of the services had been reexamined by the Mysore Government and that further discussions on the subject were considered necessary with the Officers of the Government of India and the visit of the Commission might therefore be deferred, the Government of India nearly got the impression that the Mysore Government which had agreed to basic decisions in this behalf at an earlier Conference with them and was to take action only to implement the agreements already arrived at with the Mysore Government at their instance, were now rather keen in delaying the implementation of the scheme and that this was rather surprising and unexpected.

In fact it was expressed that after the first Conference and discussions at more than one earlier meeting at the request of the Mysore Government for the settlement of these matters a special meeting was fixed up with the Secretary of States Ministry at which

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at which Sri Gopalaswamy was present and at this Conference Sri H.C. Dasappa, Hon'ble Minister for Finance and Industries, Government of Mysore, who attended as the sole representative of the Mysore Government raised various points for discussion and after full discussion of these, complete agreement was arrived at on all the points and it was pursuant to these agreed decisions that action had now been proposed to be taken and therefore it was surprising that Mysore Government should have appeared to have gone back on their own decisions, and placing obstructions now.

In view of the above considerations a reply had therefore been sent by the Ministry to Mysore Government intimating that any further points now appearing for consideration could be best taken up after the selection Board had interviewed all the Officers and made prima-facie recommendations regarding their selections and brought out all the other cases which could then be given specific consideration. Though these discussions took place on 4th August 1950, it is not known whether he expressed these views even after getting the further letter of Hon'. Sri H.C. Dasappa dated the 31st July 1950 on the subject which, I understand, was subsequently written to the Government of India.

He intimated that the following basic points had been kept in view and had to be adopted in these arrangements:

(1) that Mysore Government had agreed to the integration of the services with the I.A.S.

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I.A.S. and I.P. services.

(ii) that both under the constitution and under the orders of Government of India constituting the service, persons could only be placed in this service upon the recommendation and selection by the Union Public Service Commission.

(iii) In complying with the above conditions, the Commission would, therefore, consider the cases of all the officers in the services, make their considered recommendations having regard to all circumstances and certainly with due consideration of the standing, prestige and tradition of the Mysore Services and make up a list of all Officers who are selected and could be placed into the I.A.S. After this had been done, there would be specific material regarding the non-selected Officers, if any, both senior and junior services, which would be gone into by him (Sri Gopalaswamy) for specific suggestions to the Mysore Government, with the object of removing any difficulties and providing for fair conditions of service for which there has already been due commitment by the Government. The Government of India would consider the whole matter in a spirit of helping the officers of the service and not to create hardship

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hardship and that this should therefore be reassuring to the Officers.

At the same time it would not be possible to take en bloc all the personnel of the Mysore Services into the I.A.S. since ~~in which~~ a limited cadre will be allocated to the State. Also it would not be desirable to increase the number of posts in junior cadre and reduce the senior cadre since the two respective numbers had been fixed in a definite proportion on the basis of statistical data with a view to provide for an even flow of promotion to the junior officers. Such an arrangement like that proposed by Mysore Government of reducing the number of higher posts and increasing the number of lower posts would cause serious hardship to the junior officers. This would not be in the interest of the service either or of the officers themselves. Further, the Government of India had agreed in making the selection to include into the I.A.S. not merely the number of persons required for this year for the present but also of their requirements for the next five years. The question of, therefore, altering the proportion of the junior and senior cadres need not arise at present and might best be considered only after 3 or 4 years.

As regards the proportion of the 25% fixed for promotion into the senior cadre for the persons in the State services, this percentage would release to quite a number of members of the State services in future also, higher jobs and this percentage had been

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been fixed making some enhancement of the original figure and could be considered quite adequate. However, should there be a larger number of officers, the possibility of increasing the number in the cadre would also be examined after the Commission's selections had been made.

The main difficulty in Mysore was possibly the case of the unselected persons; if the Mysore Government desire, the Home Ministry would be glad to suggest to the Government suitable organisation and arrangements for the formation of a State Civil Service which would give quite fair and well ordered prospects for the members of the service and can be kept up to a higher standard in both efficiency and integrity, in the State Service.

He considered that any arrangement of reserving a number of higher posts of high senior rank such as those of senior Collectors, Senior Deputy Commissioners and Deputy Commissioners to the members of the future State Civil Service would not be a desirable one and might involve prejudicial effects to the services as a whole and that it would not be reasonable to lift officers of the State services holding junior posts like, say those of the Deputy Collectors or Senior Assistant Commissioners straight away to the senior posts of Heads of Departments or senior Collectors. Therefore it would be necessary to list all the higher posts into the I.A.S. as much as possible, so that, there would be an uniform

standard

Note.—Contn. Sheet.

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standard for these appointments and there would then also be a larger number of chances available both for promotion and for the junior cadre officers. However, he would be glad to discuss this matter with the Mysore Government if they still wished the point to be considered, but this could be done after the Commission's selections had been made. In the end, he assured that even when the selections have been made, and before the Notifications, had been made regarding the appointments into the I.A.S. and the persons to be continued, on account of present commitments of pay and prospects to the non-selected members of the service, in the senior cadre, he would consult the Mysore Government and have further discussions on all points and it is only then that either agreed upon decisions (which of course would be most desirable) have been implemented will be or the points of differences would be specifically put up to the Government of India, for their decision. In the end, he assured also that all the service members could well have confidence in the Government of India and the Home Ministry will work out the scheme in the best interests of the service members and that no case of difficulty would be left unsettled without a fair and reasonable consideration and that he hoped that all the officers would take advantage of these arrangements and opportunities and that the Mysore Government will co-operate to take up speedy action and send the intimation immediately so that the Commission may visit the State early in September.

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In the light of the views as noted above, which seem to be held by the Government of India, Home Ministry, which were also mostly held by the Chairman of the Union Service Commission (Sri R.N. Banerji) whom I met, it would seem to be best to ask the Government of India to arrange for the Union Commission to visit the State early, say in September, to interview all the members of the Mysore Civil and Police Services and make their proposals regarding the formation and initial recruitment of the I.A.S. and I.P.S. cadres and the selection of personnel thereto in the State. These might then be examined by the Home Ministry of the Government of India and the latter's tentative conclusions and proposals for the formation of the I.A.S. and I.P.S. cadres and the State Civil Services, and treatment of special cases of Officers outside both these cadres might be considered by Mysore Government and discussed with the representatives of the States, Finance and Home Ministries of the Government of India before they are finalised and confirmed.

OFFICER ON SPECIAL DUTY.

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FINANCIAL INTEGRATION (Contd.).

FOOD SUBSIDY:

This was discussed and it was gathered that both the Regional Food Commissioner and the States Ministry had recommended to the Food and Finance Ministry of the Government of India the grant of Food Subsidy at 75% as in the case of other States of the Union, and this recommendation would be accepted and formal orders issued early. Meanwhile debits could be accepted by Mysore on this basis only.

As regards arranging payments by adjustment in Treasury Accounts and not by advance credits, this procedure also had been recommended to the Food Ministry for authorisation and formal authorisation would be issued early. Meanwhile the revised procedure could be adopted by the Director of Food Supplies in Mysore, Bangalore, under advice to the Director General (Food).

A D.O. letter in this respect has been suggested for issue from this end by the Director of Food Supplies.

LOANS TO STATE FOR CAPITAL PROGRAMME.

It was ascertained that the States Ministry had recommended Mysore's request for loans for capital works to the Finance Ministry; the latter had not yet been able to make definite allotment of funds for loans to Part 'B' States hitherto owing to the uncertanites of Defence requirements, the international situation, the Food and Refugee rehabilitation problems, and the awaited recommendations of the Planning Commission.

It was gathered that the Finance Ministry would finalise decisions in this respect and allot

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allot about 7 to 8 crores of rupees for Part 'B' States and that Mysore's priority requirements for irrigation, Electrical distribution and essential industrial expansion, labour housing, sanitation and Public Health Improvement Schemes would be kept in view and a suitable allotment (may be of about rupees 2 to 3 crores) made having regard to the total grant set apart. The terms will have general relation to the terms on which Government could obtain funds in the Market.

G R A N T S.

Block grants as such will not, generally, be given by the Government of India in the current year; but if any specific Schemes for which grants have been given to Part 'A' States in the last one or two years, are furnished ~~provided~~ by Mysore to the Government of India (States Ministry), efforts will be made by the Government of India to give suitable grants to Mysore for such Schemes on similar basis, to the extent now possible; otherwise they will be considered favourably for the next year: But in any case Mysore's requests will be considered on the same basis as those of other States (A and B).

10/8/50